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Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999) of 10 June 1999, by which the Council decided to establish the United Nations Interim Administration Mission in Kosovo (UNMIK) and requested the Secretary-General to report at regular intervals on the implementation of the mandate. It covers the activities of UNMIK and developments in Kosovo, Serbia and Montenegro, from 1 February 2005 to 30 April 2005.

II. Political assessment

2. My Special Representative, Søren Jessen-Petersen, has provided a technical assessment of progress against the standards for Kosovo, which is contained in annex I to the present report. His findings show continuing progress in the implementation of the standards and a continued commitment by the leaders of Kosovo to standards implementation. While there was a lull in some aspects of the standards implementation process during the change in the Government of Kosovo, the overall forward momentum begun in the prior reporting period was maintained. More remains to be done, however, as none of the eight standards has been entirely fulfilled and deficiencies remain in key priority areas.

3. Efforts to ensure the increased effectiveness, responsiveness and inclusiveness of the Provisional Institutions of Self-Government and political processes of Kosovo have resulted in noteworthy progress in some areas. The commitment of the political leadership has led to wider, more active efforts to achieve the institutional and governance reforms needed to improve the political and security climate and thus prospects for sustainable multi-ethnicity. The commendable manner in which the former Prime Minister, Ramush Haradinaj, resigned and voluntarily surrendered to the International Tribunal for the Former Yugoslavia upon being informed of his indictment on 8 March, and the calls for full respect of the rule of law made by him and by the other political leaders in Kosovo, were important demonstrations of the growing political maturity of the leaders of Kosovo.

4. The public statements made by the leaders of Kosovo were instrumental in ensuring that the situation remained generally calm throughout this delicate period. The Government in Belgrade also urged a peaceful response to the indictment and

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resignation. However, explosions that occurred near UNMIK headquarters, and bombs detonated in central Pristina as President Ibrahim Rugova's convoy passed, and in the building housing the headquarters of the opposition ORA party, were a cause for serious concern and demonstrated the continuing presence in Kosovo of elements willing to resort to violence.

5. The smooth transition to a new Government led by Prime Minister Bajram Kosumi following Mr. Haradinaj's resignation was accompanied by a renewed commitment to carry on the programme of the previous Government centred on standards implementation. The reconfirmed coalition of the Democratic League of Kosovo (LDK) and the Alliance for the Future of Kosovo (AAK) has ensured a measure of continuity in the Government's priorities and actions including, crucially, an ongoing commitment to progress towards fulfilment of the standards. Importantly, the Government has continued to emphasize and focus on those standards relating to sustainable multi-ethnicity, as agreed between the previous Government and my Special Representative late in 2004.

6. Tensions between the governing and opposition parties have intensified. The opposition parties sharpened their criticism of the Kosovo Assembly, alleging repeated violations of Assembly rules with the purpose of stifling open debate, and walking out of the Assembly proceedings on a number of occasions. While it is assessed that there was overall improved compliance with the Assembly's rules, there continued to be instances of decisions where the rules were not followed. My Special Representative has on several occasions urged the President of the Assembly to adhere to the rules fully and ensure that the Assembly is a venue for unfettered debate. The growing acrimony between the governing and opposition parties has also manifested itself outside government processes. The Democratic Party of Kosovo (PDK) presented UNMIK with a document alleging criminality by members of the Government, which is being investigated by UNMIK police. In this tense context, my Special Representative has urged the governing and opposition parties to work towards a Kosovo-wide consensus on issues vital to the future of Kosovo. It is obvious that a further deepening of political rancour would impede movement towards the initiation of the political process needed to determine the future status of Kosovo.

7. Kosovo Serb participation in the political process remained low at the central level. The only top central-level government position held by a Kosovo Serb was that of the Minister of Returns and Communities, who belongs to the Citizens Initiative "Serbia" (CIS), which received 2 of the 10 seats set aside for Kosovo Serbs in the Assembly. Despite more frequent statements in favour of participation in the Provisional Institutions, the leaders of the Serbian List for Kosovo and Metohija (SLKM) — the party that holds eight Assembly mandates — are apparently still awaiting a positive signal from Belgrade, and they have not so far occupied the positions within the Provisional Institutions held open for them. The SLKM representatives have pledged to join the working groups on decentralization and have said they would enter the Assembly and Government if those working groups were successful. At the same time, minority employment is rising in central Provisional Institutions amidst expanded recruitment activity, although the overall level remains below the target. In addition, Kosovo Serbs and other minorities are present in municipal institutions.

8. There is also encouraging progress in the area of direct dialogue on practical matters between Pristina and Belgrade following a hiatus of over 12 months, together with a declared willingness on the part of the political leadership in Belgrade to engage in this important process. A significant step forward on the crucial issue of cultural heritage in Kosovo was made with the signing by representatives of the Serbian Orthodox Church and the Provisional Institutions of a new memorandum of understanding on the reconstruction of Serbian Orthodox religious sites damaged during the riots of March 2004. Efforts by the international community in the area of restoration and reconstruction of cultural heritage in Kosovo, including through a donor conference, held in Paris on 13 May, are moving forward. Following an invitation to meet extended by President Boris Tadic of Serbia to President Ibrahim Rugova of Kosovo, my Special Representative has been working to arrange such a meeting.

9. Local government reform (decentralization) is of key importance to all of the population of Kosovo, including, in particular, its minority communities. This process has, however, seen delays owing to continuing controversy over initiatives in this area. The major opposition parties continue to oppose the Government-approved "working programme" on local government reform. This situation resulted in delays in a debate in the Assembly and in the nomination of the co-chairs of the envisaged working groups. Prime Minister Kosumi and the Minister of Local Government Administration have affirmed that pilot projects in five localities, including in two majority Kosovo Serb areas, would be implemented by June 2005. Progress in this respect has been slow, however, and political consensus in the Assembly is still being sought. There is a clear need to move forward rapidly with implementation. Achieving concrete results in the local government reform process will influence prospects for the political process to determine the future status of Kosovo.

10. Improvements in freedom of movement and a diminishing reliance of Kosovo minorities on escorts when travelling across majority areas are encouraging developments. An assessment of the current security situation by the Kosovo Force (KFOR) has led to the continued dismantling of KFOR units providing static protection of designated sites, which has been carried out without incident. The Government and most municipalities have enhanced their official, public support for returns, which has been coupled with an increased readiness on the part of representatives of the Provisional Institutions to condemn violence that might be ethnic in nature. While a growing number of municipalities have actively participated in promoting returns, and the first returns to an urban area occurred, overall numbers of returns remain very low and sustainability in some cases is uncertain, for economic reasons among others. One year after the riots of March 2004, more than 1,600 persons of the 4,100 displaced have not returned to their reconstructed homes — added to the tens of thousands already displaced since 1999 — and a significant proportion of compensation payments has not been made. Further official efforts in support of returns are essential.

11. There were encouraging steps forward in furthering and establishing the framework for the economic development of Kosovo. The privatization process progressed, and the enactment of an amended regulation on the Kosovo Trust Agency is expected to increase further the pace and scope of privatization. The establishment of legal frameworks for mining and for enabling municipalities to facilitate investment using land they control should spur further production and

investment. Activity aimed at the economic integration of Kosovo in the region continued. These ongoing efforts are intended to address the continuing difficult economic situation in Kosovo, including low income levels and high unemployment.

12. Work continues on the transfer to the Provisional Institutions of competencies which are not inherent attributes of sovereignty, taking into account reserved powers and responsibilities in areas of key importance for the implementation of the UNMIK mandate. My Special Representative promulgated a regulation formalizing the terms of reference for the three new Ministries established at the end of 2004, which are increasingly operational. UNMIK is also examining ways in which the functional engagement in reserved areas of the Provisional Institutions can be further developed. In carrying forward these efforts, the accountability and responsibility of the Provisional Institutions, and the delivery of essential services for all communities, must be ensured.

III. Observations

13. I am pleased to note that the Provisional Institutions have intensified their efforts to implement the standards. My Special Representative has reported that concrete steps forward are evident, and that the Provisional Institutions have made further good progress. There are also indications that the underlying significance and importance, as well as the form and implementation, of the standards have gained increased acceptance among the leadership and people of Kosovo. There is a growing recognition in Kosovo that sustained progress on the implementation of the standards is an essential precondition for advancing towards a process to determine the future status of Kosovo, in accordance with resolution 1244 (1999). I am encouraged by the demonstrable intent to move forward as quickly as possible to achieve this end.

14. None of the standards has been entirely fulfilled, however, and I am concerned that deficiencies remain in key priority areas of standards implementation. All standards are important and the focus on areas of particular importance to Kosovo minorities does not diminish the relevance of any of the eight standards. It is crucial that the representatives of the Provisional Institutions and, in particular, the Kosovo Albanian leadership recognize that implementation of the standards is not simply a test to be passed in order to move on to the next stage,.but that the standards are above all goals in and of themselves and measures of the political maturity of Kosovo and the willingness of its leaders and population to create the foundations for a sustainable multi-ethnic, democratic society in which all can live in dignity and without fear.

15. The continuing implementation of the standards over time will be central to the realization of the European perspective of Kosovo. Achieving the standards will, therefore, lead to a qualitative change in Kosovo society. While noteworthy steps forward have been taken, much remains to be done. More progress is well within grasp and is essential, and much work is still required in a number of critical areas.

16. I am encouraged by the public outreach by the leaders of Kosovo to the minority communities, and statements and commitments in support of returns. However, despite noteworthy breakthroughs, including the first returns to urban areas, the overall numbers of returns remain low and the process remains fragile.

Ensuring a climate for sustainable returns which centres on acceptable security, economic and property-related considerations remains a central challenge in Kosovo. The active and constructive participation of Kosovo Serb leaders at the central and local levels is of essential importance. Mutual trust and confidence among the Kosovo communities is the foundation for lasting security. To this end, Kosovo Albanian leaders and population must strengthen their efforts to reach out to Kosovo Serbs who, in turn, must demonstrate their concrete willingness to integrate into Kosovo society.

17. I am concerned that efforts to reform local government in Kosovo have seen delays. While not a standard, progress in decentralization is a key measure of the willingness of Kosovo to restructure governance at the local level in a way that is closer and more responsive to the needs of the population, and which accommodates legitimate minority interests. All communities and political factions should unite to achieve this important goal, which should go forward regardless of the future status of Kosovo.

18. Progress in Kosovo hinges on a constructive democratic dynamic between Government and opposition. However, the increased inter-party rancour and the violent incidents which may have been related to it are hampering the way forward. It is fundamental for a democratic society that the opposition is afforded the fullest scope to perform its important role; the opposition must in turn play that role responsibly. I join my Special Representative in calling on all the leaders of Kosovo to work constructively for the common good and to reject violence, no matter the motive or target.

19. The smooth and responsible manner with which the leaders and institutions of Kosovo have handled the recent delicate phase leading to a change in Government is encouraging. The fact that it took place in a generally calm situation is a reflection of the growing maturity of the Kosovo institutions. The recent spate of violent attacks is worrisome, however. It is crucial that any threats of violence or intimidation not detract us from our goal. It is the responsibility of all people in Kosovo to ensure that the work of extremists is not allowed to dictate the future course of Kosovo.

20. I welcome the offer by President Tadic to meet with President Rugova and I encourage both leaders to initiate a direct dialogue, which is essential to move the process forward. I also welcome the expressed intention of Prime Minister Kostunica and Prime Minister Kosumi to meet with each other. This dialogue should occur in addition to a dialogue between and among the Kosovo Albanian and Kosovo Serb leaders, in order to build an environment of mutual trust and confidence. I am also encouraged by the resumption of direct dialogue on practical matters between Pristina and Belgrade, which must continue to engage constructively for the benefit of all involved. It is important for the leadership of all communities to convey to their constituencies the importance of these initiatives.

21. In my recommendations to the Security Council of 17 November 2004 (S/2004/932, annex II), I stressed that achieving progress on the eight standards remains the basis of our policy and must be carried out in a dynamic and priority-based way within the overall framework of a comprehensive and integrated strategy, in order to give momentum and direction to the political process. Progress in all aspects of this strategy is essential for the success and sustainability of any future status process. Bearing this in mind, and having taken into careful consideration the

efforts made thus far by the Provisional Institutions in the implementation of the standards, I believe that a comprehensive review should be initiated this summer. It will be carried out in accordance with resolution 1244 (1999) and the relevant presidential statements of the Security Council. I intend to appoint a Special Envoy to conduct this review in the near future.

22. The comprehensive review should consist of consultations with the parties and the international community, and have a broad scope in order to assess the current situation and the conditions for the possible next steps in the process. It should look at the actual political realities as well as the formal preconditions for launching the future status process on the basis of continuing and effective progress towards implementation of the standards.

23. It should be clearly understood that the outcome of the comprehensive review is not a foregone conclusion. During and beyond the comprehensive review, the representatives of the Provisional Institutions and the political leaders of Kosovo will be expected to pursue and strengthen their efforts to implement the standards, and will continue to be assessed on this basis. Ongoing implementation of the standards now and in the future will be a crucial element of a smooth and orderly political process leading to the determination of the future status of Kosovo whenever that process may begin, and will be central to the sustainability of an eventual political settlement.

24. The unified and coordinated support of the broader international community, particularly key Member States such as those in the Security Council and the Contact Group within the framework of resolution 1244 (1999) is essential for the success of this common endeavour and for the work carried out by UNMIK under the guidance of my Special Representative. The signs of continuing international interest in and attention to Kosovo are welcome and essential to ensure consensus as we move forward, while it is recognized that it is the responsibility of the people of Kosovo and their representatives in the Provisional Institutions to ensure progress. I take note of the recent statement of the Contact Group that principles for a solution for the future status of Kosovo should exclude, inter alia, partition of Kosovo, union of Kosovo with any country or part of any country after the determination of status, and return to the situation before March 1999.

25. I would like to extend my appreciation to my Special Representative, Søren Jessen-Petersen, and to the men and women of UNMIK for the dedication and commitment to the values and objectives of the United Nations which they bring to their often difficult task. I would also like to extend my appreciation to KFOR, our partners within UNMIK — the European Union and the Organization for Security and Cooperation in Europe — and to the other organizations, agencies, contributors and donors for their commitment and valuable political and material support in implementing Security Council resolution 1244 (1999).

Annex I

Technical assessment of progress in the implementation of the standards for Kosovo

Prepared by the Special Representative of the Secretary-General for Kosovo, 30 April 2005

The reports that follow describe the main achievements in each standard and the priority standards goals challenges that remain.

Functioning democratic institutions: key achievements

1. The political institutions of Kosovo demonstrated deepening maturity by electing a new Government quickly after the resignation of the former Prime Minister, Ramush Haradinaj.

2. Minority community members participating in the Government increased to four (Kosovo Serb and Bosniak Ministers and Kosovo Egyptian and Turk Deputy Ministers). Three further positions (Minister, Deputy Minister and Assembly Presidency) reserved for Kosovo Serbs await nominations from Kosovo Serb political parties.

3. The Organization for Security and Cooperation in Europe reported notable improvements in Assembly compliance with its extant rules of procedure. A new formula distributed public funds to political entities proportionately to the number of seats held including reserved seats. Civil society continued to participate in the work of the Assembly through public hearings on four draft laws. Women participated in all Assembly Committees.

4. Codes of conduct for elected officials and civil servants, comprehensive Government rules of procedure (*priority*) and terms of reference for the new Ministries were adopted. All municipal assemblies have rules of procedure and their compliance was satisfactory.

5. Municipal minority employment increased: 15 (of 27) met or exceeded their targets; 5 exceeded 70% of target. The railway (15%), water-irrigation (18%), and waste (24%) utilities remained multi-ethnic. The Government initiated a Special Recruitment Campaign (*priority*) that reserves and advertises for minorities 103 central institution positions.

6. Twenty (of 27) municipalities achieved fair share financing targets in 2004. The remaining 7 achieved 90% of target. At least 25 are expected to achieve their targets during the next reporting period.

7. A draft law on languages is under discussion. Permanent Secretaries of Ministries and chief executive officers of municipalities were designated as responsible for language policy implementation. Units to oversee central and municipal implementation were established within the Ministries of Public Services and Local Government Administration respectively. Their terms of reference are likely to lead to comprehensive compliance reports and corrective action provisions (*priorities*). Language policy compliance was 100% in Central Assembly plenary sessions and Presidency meetings, and approached 100% in Municipality Assembly

meetings (except in the northern municipalities, and occasionally in Prizren). Official signs on municipal buildings were compliant or partially compliant in 65% of municipalities, and street, town and village signs were compliant or partially compliant in 60%. Over 500 road signs in the southern municipalities were replaced with signs in all official languages.

8. Training for judges and prosecutors, and the Government public awareness campaign, started on the Anti-Discrimination Law. The Provisional Institutions of Self-Government started discussing inequalities in service provision to communities and minority employment with public utilities, particularly transport.

9. The Law on Freedom of Association of Non-Governmental Organizations was adopted by the Assembly and awaits promulgation. A strategic plan for minority media (*priority*) was adopted by the Government.

10. Minority access to media compared favourably with access across the Balkans and much of Europe. Of 111 broadcast stations licensed, 39 mainly or exclusively served minority communities, 21 broadcast in at least two languages, 10 broadcast partly in Roma, and at least two for the Ashkali community. A new daily newspaper employed minority editorial staff and plans to issue a weekly edition in Serbian. A press code (*priority*), including clauses on hate speech, was endorsed by the editors of seven of the eight main Kosovo newspapers. Development of a press council continued. No cases of hate speech in the media were reported. All media sanctioned by the temporary Media Commissioner complied.

Functioning democratic institutions: priority standards challenges

11. New draft rules of procedure for the Assembly correcting the unacceptable provisions of the previous draft (*priority*) need to be adopted by the Assembly. The Assembly Committee on the Rights and Interests of Communities (*priority*) proposed no amendments to draft legislation. The Assembly Presidency needs to address remaining concerns, and complaints by the Opposition, over compliance with the extant rules of procedure including agenda handling, and must provide adequate time and opportunity for all parties to debate legislation and review the work of Ministers and institutions. The Law on the Family adopted by the Assembly needs revising for compliance with international instruments for the protection of women's human rights. Prime Minister Kosumi's decision to invite minority representatives to participate in legislative drafting working groups (*priority*) needs to be operationalized effectively.

12. Minority employment in the central institutions was 10.2% (up from 9.6%; 7% of senior positions); the target is 16.6%. The Special Recruitment Campaign needs to succeed (*priority*). Minorities need to be fully integrated across institutions, policy issues and seniorities. More effort is needed by municipalities that have not met their targets, particularly the seven that remain below 70% of target, and by all municipalities with regard to senior-level employment (negligible). More effort is needed by the Banking and Payments Authority (BPK) and some utilities: District Heating (12%), KEK (less than 1.5%), PTK (4%) and the airport (1.8%). Sub-component budget plans (*priority*) and a Government mechanism for monitoring fair share financing are still needed.

13. Enforcement of the civil service code of conduct needs to be strengthened. The Senior Public Appointments Committee needs to respect its rules of procedure. The Office of Gender Affairs needs to be established and operationalized. Ministries and municipalities need to publish annual reports and financial statements.

14. Full compliance with language policy is still needed (*priority*). The central monitoring units (*priority*) need to be operationalized. The new Ministries and eight municipalities need to establish Translation Units. Twenty-five municipalities need to install simultaneous interpretation equipment or specify adequate alternative arrangements. Defaced language compliant signs need to be replaced or repaired.

15. The law establishing the Independent Media Commission (*priority*) was adopted by the Assembly with provisions that risk compromising the independence safeguards. The strategic plan for minority media needs to be implemented (*priority*). The television service of Radio and Television Kosovo (RTK) devotes 8% of its air-time to minority broadcasting (the requirement is 15%; *priority*). The draft Law on RTK (which is largely in accordance with European norms of public service broadcasting and includes clear obligations to serve all communities) awaits adoption by the Government and the Assembly (*priority*).

16. Significant parallel structures continue to exist in 13 municipalities. Kosovo Serb demand for the services they provide should be reduced by the reform of local Government.

Rule of law: key achievements

17. The Provisional Institutions cooperated fully with the Tribunal. Former Prime Minister Haradinaj resigned his office immediately on notification of indictment, and surrendered voluntarily to the Tribunal 24 hours later. In his resignation statements, he called on the people of Kosovo to remain calm and respect the rule of law. Those calls were echoed by the President, Ibrahim Rugova, the acting Prime Minister, Ministers, Opposition leaders and many municipal Presidents and officials.

18. Local crime prevention councils (*priority*) operated in every municipality. Crime clearance rates remained broadly comparable for majority and minority victims (*priority*). Only four complaints of possible ethnic bias among judges and prosecutors were received (one ungrounded; three under investigation). OSCE raised no concerns over local judges' and prosecutors' conduct of cases related to the violence of March 2004. Both indicate that ethnic bias continued not to be a prominent factor in criminal investigations, prosecutions or judicial handling (*priority*).

19. Central and municipal political leaders' condemnation of serious crimes and encouragement to cooperate fully with the police (both *priorities*) increased markedly. Inter-ethnic crimes — KFOR figures indicate up to four (rare maximum) a week — were routinely condemned.

20. The Kosovo Police Service (KPS) continued to assume greater responsibilities (*priority*). Transition to KPS command continued on track: 7 police stations (total now 27 of 32) and the first regional command centre (Gnjilane) transitioned. Police training transition progressed to 80% of instructor, 90% of technical and support and 68% of management positions at the KPS school. A total of 240 KPS officers were deployed in specialized units (*priority*). KPS handled several demonstrations and

potentially sensitive events without incident, including the visit of the President of Serbia, Boris Tadic, in February. Within the new community policing programme, 251 international police officers deployed to address minority communities' security and perceptions. Witness protection and relocation schemes continued to function.

21. KPS and the Kosovo Corrections Service continued to be fully multi-ethnic (*priority*). Women represented 18% of the Corrections Service (comparing favourably with Western European norms) and 14% of KPS. KPS targeted recruitment efforts towards women and minorities, aiming for 25% intake levels for June 2005. Specific provisions on gender-based discrimination and sexual harassment were incorporated into new draft codes of conduct of judges, prosecutors and lay judges. All KPS and Corrections Service training included minority and gender issues. KPS training included domestic violence and anti-trafficking.

22. The draft law establishing the Kosovo Judicial Institute (*priority*) was endorsed at first reading by the Assembly. Training continued. Anti-discrimination, anti-trafficking and human rights were integrated into the continuous and initial legal education programmes. A Law on Legal Aid was drafted.

23. An action plan to implement the Anti-Corruption Strategy is in preparation. Two new indictments and six new pre-trial investigations were initiated for allegations of corruption and economic crimes.

24. An administrative direction implementing the prohibition on trafficking in persons was promulgated. The Interim Secure Facility continued supporting victims of trafficking.

Rule of law: priority standards challenges

25. Efforts to bring to justice those responsible for the violence in March 2004 (*priority*) need to achieve a successful conclusion.

26. Minority communities were 10.5% of judges and 9.4% of prosecutors. Women were 26.5% and 16.5% respectively. Kosovo Serbs remained underrepresented (5.2% and 2.3%; *priority*). Despite vigorous outreach efforts, including a meeting with the President of the Supreme Court of Serbia to seek encouragement to qualified Kosovo Serb judges and prosecutors, only 4 of 200 applicants were Kosovo Serbs. Factors discouraging applications include accrued pension and benefit rights in Serbia.

27. Full access to justice for minority communities in Kosovo remains to be achieved. Two further court liaison offices in Prilužje and Silovo are planned to open in May 2005 (taking the total to 7). In Srbica and Mališevo, access to courts for minorities remains impossible without police assistance.

28. Further efforts are needed to improve cooperation between the police and communities, including building minority confidence in KPS. Minority communities need to be able to communicate with their local police in their own languages.

29. The draft law on the Kosovo Judicial Institute needs to complete passage through the Assembly (*priority*). The draft Action Plan against Trafficking in Human Beings needs to be adopted. Three cases of witness intimidation were reported (two under investigation; one under prosecution). A police mechanism for

tracking attacks on police, judges, prosecutors and witnesses is needed. Transition of responsibility for investigating and prosecuting terrorist, organized crime and economic crime offences will be impeded by intimidation in relation to these crimes.

30. Further efforts to improve court administration and reduce backlogs are needed.

Freedom of movement: key achievements

31. Freedom of movement improved in every municipality except northern Mitrovica. Escorts were less necessary (*priority*). A questionnaire survey by international police officers in mid-April interviewed 185 minorities, of whom 82% were Kosovo Serbs, 8% Roma, 7% Ashkali and 3% other minorities. Of those interviewed, 92% said that they travelled outside their resident areas to other parts of Kosovo; of them, 8% used escorts and 9% United Nations transport. The remaining 83% used private or public transport. Only 3% (5 persons) said they were the victims of crime while travelling in the previous 6 months; 1 person reported that crime to the police.

32. Perceptions of security also improved. A total of 64% of those surveyed said that they were able to travel safely in Kosovo (up from 41% in March). Incidents particularly threatening perceptions of security were few: two of vandalism against mosques, one attempted burglary of an Orthodox priest's residence, three of damaged graveyards, and five crimes related to movement by minorities (including one attack against Kosovo Albanians). Condemnations by the Provisional Institutions of violence that could have been inter-ethnic in nature increased significantly.

33. An action plan is under discussion for improved integration of the transport system (*priority*). Eleven experimental lines (*priority*) are established or under consideration.

Freedom of movement: priority standards challenges

34. Ongoing efforts to increase freedom of movement are needed, including an end to, and zero tolerance of, acts that threaten it — whether directly or by intimidatory effect (see paras. 32 above and 44 below). Perpetrators of incidents in which freedom of movement is obstructed or threatened need to be brought to justice quickly (*priority*). Central and municipal political leadership needs to continue, including regular and strong statements urging full respect for freedom of movement and condemning all acts that threaten it, and supporting law enforcement action against such acts.

35. An integrated transport system remains a priority. The number of routes, and frequency of transport, to and from minority areas (*priority*) need to increase. Kosovatrans needs to hire more minority drivers and integrate them across its workforce (*priority*). Support for private bus companies operated by minority communities continues to be needed. More minority community members need to be licensed to certify vehicle roadworthiness to facilitate car registrations by minorities.

Sustainable returns and the rights of communities and their members: key achievements

36. The Government and most municipalities significantly increased official support for returns (*priority*), and undertook a wide ranging outreach programme (*priority*) designed to strengthen and support freedom of movement, returns, dialogue and tolerance building. Data is incomplete but at least 14 municipalities participated in visits to returns sites, visits of internally displaced persons to cemeteries, go-and-see visits or go-and-inform visits. The Prime Minister, Ministers and many municipal leaders actively engaged with internally displaced persons. For the first time, Ministers visited internally displaced persons and refugees in Kosovo, Montenegro and Macedonia, including joint visits by the Minister for Communities and Returns (a Kosovo Serb) and the Minister for Local Government Administration (a Kosovo Albanian). The Prime Minister and 23 municipalities (all Kosovo Albanian majority) adopted on 25 February a joint declaration urging the displaced to return, the majority population to accept and implement its special responsibilities towards minority communities, and the protection of property rights and release of illegally occupied property. The Minister for Local Government Administration wrote to the Municipal President of Kacanik warning of the Government's opposition to, and likely consequences of the Municipal Assembly's rejection of its municipal returns strategy (see para. 44 below). Ministers held direct dialogue with several local communities to overcome obstacles or resistance to returns. Returns experts consider that these actions will have continuing medium- and long-term impact.

37. The returns environment was also improved by increased standards delivery across most municipalities. Regular standards meetings of both Prime Ministers and municipal Presidents sustained efforts (northern municipality Presidents do not attend). Nineteen municipal returns strategies for 2005 (*priority*) were endorsed by municipal working groups or assemblies; all others (except Decani) were drafted. Twenty-six municipalities have municipal returns offices, many from minority communities.

38. Data is incomplete, but at least 14 municipalities, including some badly affected by the conflict and with large numbers of missing persons, such as Klina, have implemented or supported implementation of returns projects (*priority*) or implemented component parts thereof such as provision of needed infrastructure. Small numbers of urban returns (*priority*) occurred or were planned in seven municipalities. The first urban return by Kosovo Serbs took place in Klina with Prime Ministerial and Municipal Assembly President support. Authorities continued to provide timely documentation to all returnees. The Association of Kosovo Municipalities initiated an inter-ethnic dialogue programme with the support of CARE International.

39. The Government allocated the same level of funding for returns from the 2005 Kosovo consolidated budget as in 2004 (€10.5 million), and remained the largest direct donor for returns to Kosovo. An additional sum of €2.2 million was allocated from the consolidated budget for reconstruction of houses damaged or destroyed in March 2004. All central Ministries appointed returns focal points. Twenty-two (of 34) projects from the 2004 central Government returns strategy have been completed.

40. The Ministry of Communities and Returns and the Ministry of Local Government Administration agreed terms of reference and advanced their establishment (*priority*). The terms of reference include monitoring compliance with human and community rights and responding to violations.

41. Although spontaneous returns are not always recorded, UNHCR reported 139 spontaneous or facilitated returns from the Kosovo Serb, Roma, Ashkali, Egyptian, Bosniak and Gorani communities during the first quarter of 2005. UNHCR figures for internally displaced persons in displacement since March 2004 went down by 403 (to 1,662) over the same period. Although departure figures cannot be fully captured, they appeared to indicate a reducing number of departures from Kosovo. Local Crime Prevention Councils, improved freedom of movement and perceptions of security, and increased support by many municipalities all significantly increased the prospects for returns and a better quality of life for returnees. Returns experts expect to see increased returns (*priority*) in coming months.

42. Municipal community offices functioned everywhere with UNMIK support. Communities committees met monthly in 12 municipalities, met irregularly in 5, existed but did not meet in the reporting period in 3, and had not been formed in 4 others. Mediation committees (which meet as needed) met in 17 municipalities.

43. No pupil attending a mixed or shared school reported any form of harassment (*priority*). Education in minority languages (except Romani) continued to be available (*priority*).

Sustainable returns and the rights of communities and their members: priority standards challenges

44. Incidents continue to occur that undercut the efforts of the Government, municipalities and individuals to support sustainable returns by, and rights of, all communities (both *priorities*). During this period, these incidents included the erection of a banner in Pristina listing alleged suspects in the killing of 122 Kosovo Albanians in 1999. The banner — which was not condemned by public officials — could have been said to comprise hate speech and/or incite to violence against the listed individuals, and was removed by UNMIK. T-shirts were on sale in northern Mitrovica featuring Serbian Special Forces insignia and "Kosovo: We'll be back". The Municipal Assembly of Kacanik rejected its municipal returns strategy, arguing that Kosovo Serbs from Kacanik had committed crimes prior to their departure. New language policy compliant road signs were quickly defaced (by painting over Serbian names) in Malisevo and Gnjilane. Serbian media reports that the Government of Serbia discourages returns, and inaccurate media reporting of security incidents, reduce willingness to return and the confidence of Kosovo Serbs living in Kosovo to pursue productive and sustainable lives. Looting and vandalism of unoccupied reconstructed houses, and low levels of inter-ethnic crime, continued. All actors need to help strengthen conditions conducive to returns, the confidence of potential returnees to return, and of returnees to pursue productive and sustainable lives, and a climate where they can.

45. The Ministry of Communities and Returns needs to be structured and further operationalized (*priority*) with proper regard for personnel and budgeting procedures. A database of the displaced, and their needs prior to and on return, is still needed. The Government still needs to assume responsibility for humanitarian

assistance to returnees. A central-level 2005 returns strategy and a programme of action on communities and returns need to be adopted and implemented (both *priorities*). The symbolic importance of the first urban returns needs to be built upon. Municipal returns strategies and structures need to be further operationalized and integrated into municipal and community development. Women's representatives need to be involved in all levels of the development and implementation of returns, reconciliation and dialogue strategies.

46. Reconstruction of houses damaged or destroyed during March 2004 needs to be completed (*priority*), including the additional houses identified during the last reporting period (for which funding is needed). Quality concerns need to be addressed. Looting and vandalism of reconstructed houses must stop. Payments have been made to 180 (up from 12) of 338 eligible beneficiaries of compensation for secondary buildings. Files were completed for 567, and payments made to 415 (of 634 eligible) beneficiaries of start-up assistance of €2,000.

47. Job creation and income generation remain areas of significant concern for all Kosovans including minorities and returnees. Housing stock development is needed to meet the accommodation needs of all people, including those whose former homes were not legally recognized or documented. It remains difficult for returnees and internally displaced persons to participate fully and equally in the economy. Further effort is needed by central and municipal authorities to ensure non-discriminatory access to basic services, affordable housing and economic opportunity.

48. Effective remedies for, sanctions against, and other legal mechanisms to counter discrimination are needed on the basis of the Anti-Discrimination Law (*priority*). Greater engagement of the Provisional Institutions is needed in reporting under the Framework Convention for the Protection of National Minorities. Effective monitoring and protection of human, community and minority rights (*priority*) by central and municipal Government are needed.

Economy: key achievements

49. Five pieces of basic economic legislation were promulgated. Eight (of 18) laws and regulations required are in place, nine are in the legislative process (one has not been started). A regulatory framework for mines and minerals conforming to European industry standards was established, and a Regulation adopted establishing an Independent Commission for Mines and Minerals, opening the way for investment in an important economic potentiality.

50. The 2005 Kosovo consolidated budget satisfied all conditions for promulgation (*priority*). A total of 24% of the budget was allocated to public investment (21% in 2004). The 2006 budget development process (*priority*) was launched ahead of schedule. The Government instructed spending agencies on compliance with IMF recommendations, particularly reducing recurrent expenditure. Government recruitment was frozen except for minority hires (to meet the minority employment target). 2006 sector spending plans (*priority*) are under discussion. The medium-term expenditure framework is being finalized. The Government monitored compliance with the Law on Public Financial Management and Accounting (*priority*); reporting followed mandated timelines. The Government

promulgated a system for monitoring spending agencies' expenditures, imposing fiscal discipline and ensuring efficient allocation of expenditures.

51. Institutions and services operating in the economic sphere were strengthened (*priority*). The Ministry of Finance and Economy established divisions for public loans and relations, debt management, and identification and assessment of development projects. Projects to build capacity continued (for public investment) or were planned (for other capacities of the Ministry). Twenty-seven municipalities developed local economic development strategies; 12 were endorsed by municipal assemblies. Legal provision was made for municipalities to grant 99-year leases for municipal land. The Anti-Corruption Law is under revision. Work began to create an Investment Promotion Agency (*priority*). A regulation is in place guaranteeing the independence of the BPK Governing Board; no Board member had political affiliations and none were shareholders of financial institutions (*priority*). Civil society institutions representing all communities participated in economic policy advice mechanisms (*priority*), through such forums as the Advisory Council on Small and Medium Enterprises, and a working group on private sector development. Eight vocational training centres across Kosovo offered training in 30 professional profiles. One third of trainees were women. The Statistical Office of Kosovo started implementing an action plan for strengthening collection and dissemination of economic statistics, and continued building capacity through training and information technology development. Confidence in the banking system continued increasing (deposits and savings rose by 35% in 2004).

52. Privatization accelerated: 32 sales contracts (from first-third waves) were ratified; bids were received for 21 (fourth wave) new companies. The Kosovo Trust Agency (KTA) Board met informally on 31 March. Preparations were completed for restructuring five publicly-owned enterprises (KEK, PTK, the airport, the railway and District Heating). Audited accounts for publicly-owned enterprises were published on the KTA website.

53. The Kosovo Customs Service remained fully multi-ethnic (*priority*). Tax Administration of Kosovo offices operated in all five regions of Kosovo. In addition to two Tax Administration offices already established in minority areas (*priority*), an information office opened in the Kosovo-Serb-majority town of Gracanica. Tax compliance indicators continued to improve. Government procurement announcements were published in all official languages.

54. Negotiations on free trade agreements continued with Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia. A memorandum of understanding was signed for EBRD lending. Negotiations were finalized for European Investment Bank operations in Kosovo.

Economy: priority standards challenges

55. More action is needed over disputes between some municipalities and KTA over control of socially owned land. No plots were returned to socially-owned enterprise control over the period. A total of 70% of potential tenders for new companies are hampered by cadastral problems.

56. Institutions need further strengthening. Government efforts need to be intensified, broadened and sustained well into the future for institutions and

appointments to be effective — and also independent (where necessary) and compliant with international standards. The Anti-Corruption Law needs to be finalized and adopted and an Anti-Corruption Agency established in accordance with European standards (*priority*). The Independent Tax and Customs Review Board (*priority*) is unable to manage the backlog of appeals. The Tax Administration continues to have difficulty administering the tax system in the three northern municipalities. The Provisional Institutions need to propose independent Kosovan members meeting the appointment requirements for the Energy Regulatory Board and the Mining Commission.

57. Further capacity-building is needed on secondary legislation. Budgetary implications of new legislation need to be considered at the drafting stage. More effort is needed to encourage women to participate in business and the skilled labour force.

Property rights: key achievements

58. The central-level inventory of property-related legislation, design of the database for its dissemination and updating, and the municipal-level inventory (except the three northern municipalities) approached completion. The Ministry of Environment and Spatial Planning created a task force to draft a legislative assessment and action plan (*priority*). Promulgation of a Regulation on the allocation of socially-owned immovable property managed by municipalities laid the foundations for more effective municipality efforts to regularize informal settlements (*priority*) and provide social housing. The draft Law on Agricultural Land was approved at first reading by the Assembly.

59. The Ministry of Environment and Spatial Planning approved 10 (total now 16 of 18) administrative instructions required to implement the Law on Spatial Planning (not all adequately reflected the requirements of informal settlements, illegal construction and gender). A system for surveying, valuing and compensating for property rights infringements by authorities is under development.

60. Political leadership against illegal occupation and use of property increased markedly through statements by the former and current Prime Ministers, Ministers and municipal leaders. A working group was created to develop a public information campaign on illegal occupation and use, illegal construction and informal settlements.

61. The Government developed plans for a new data collection system to help protect property rights by tracking court-adjudicated illegal occupation/repossession claims, their execution, cases of illegal occupation sanctioned/reported to prosecutors, and actions by municipalities including granting construction and other permits to legal rights holders only (*priority*). Work started on revising the Kosovo Police information system to monitor enforcement and provide redress in property-related cases.

62. There was no evidence of ethnic bias in either property-related court decisions or their execution (*priority*). The adjucation rate of claims was 31.4%, with comparable rates for Kosovo Albanians (32.5%) and minorities (26.5%). Over this period, cases were received and adjudicated at the same rate indicating that, although additional resources will be needed for the backlog and stayed cases, the

courts handled the new caseload. Court efforts to increase execution rates of their decisions increased: requests for police support rose ninefold, to 78 (74 granted). Municipal requests for police support rose from 2 to 31 (15 granted). Police responded positively to all 115 requests of the Housing and Property Directorate (HPD) for eviction support.

63. All except the three northern municipalities continued successful manual registration of the immoveable property rights register, and received all subsidiary instruments and training for all Municipal Cadastral Office staff (*priority*). The pilot programme for digital registration in five municipalities succeeded. The Kosovo Cadastral Agency completed the inventory of subsidiary instruments for implementation of the property rights registry; remedy mechanisms functioned and instruments are in place to ensure accountability. Two formal requests were made by UNMIK to the Government of Serbia for access to relevant property records (*priority*) without positive response.

64. Central-level social housing guidelines were drafted and are under revision to include positive measures for women and minority communities.

Property rights: priority standards challenges

65. Protection of property rights in Kosovo needs to be strengthened significantly and quickly.

66. Legislation needs to be coherent, consistent and compliant with international human rights and European standards. The Law on Real Rights needs to be reviewed. The Law on Housing remained suboptimal. The Law on Inheritance needs a gender equality perspective.

67. Repossession of property by rightful owners needs to increase. Repossession of HPD-adjudicated properties was 4.15%. Many successful claimants withdrew their claims or chose to place properties under HPD administration (up 295 to 3,200). Of repossessed properties, 17.7% (up from 14.2%) were released voluntarily. More public support of the Provisional Institutions for repossessions, and appeals to illegal occupants — including public officials and employees — to release property immediately, are needed. A total of 18,146 property-related cases filed in 2004 (largely to comply with the 5-year statute of limitations on 1999 conflict-related damages) were stayed at the request of the UNMIK Department of Justice and will remain stayed until adequate resources are available to adjudicate them. Taking these into account, the backlog of property-related cases in the courts was 6,932 (6.7% more than in 2004). Court and municipality efforts to increase execution rates need to continue and increase further (34% of required execution procedures were completed).

68. Systematic municipality efforts are needed to prevent and sanction illegal occupation and use of property (*priority*) including private property, and illegal construction. Public campaigns against both are needed. Municipal courts must not validate illegal sales. Consolidated guidance on approaching cases of suspected illegal occupation would help police. The Cadastral Agency needs to increase efforts to distribute subsidiary instruments, and provide training, to the northern municipalities (*priority*). The northern municipalities need to increase efforts to cooperate with the Cadastral Agency.

69. Informal settlement regularization (*priority*) remained blocked by the absence of a situational analysis (*priority*), and needs to progress. Special efforts are needed to resolve urgent informal settlement issues in the Mitrovica and Pec municipalities. Only Istok considered measures to regularize settlements and create security of tenure for displaced inhabitants (*priority*).

70. An effective system for resolving disputes over agricultural and commercial property, and plans for transferring HPD files and properties under administration to Kosovo institutions, are needed.

Cultural heritage: key achievements

71. An action plan was drafted for cooperation with the Council of Europe on cultural heritage, including joint elaboration of a Heritage Policy 2006-2010 on preservation of cultural heritage and capacity-building for cultural institutions. A public awareness campaign started on the importance of the cultural heritage sites of all Kosovo communities.

72. The inventory of cultural heritage sites (*priority*) approached completion (90% of fieldwork in all 30 municipalities). Significant progress was made in inclusion of Orthodox sites in all municipalities. Work started to publish a catalogue of all monuments and heritage sites, and continued on a priority intervention list of 25 archaeological and architectural sites (Orthodox and Islamic) for restoration (the sum of €200,000 was allocated from the consolidated budget). An amount of €4.2 million was again allocated from the consolidated budget for initial reconstruction of Serbian Orthodox sites damaged in March 2004 (*priority*). A new memorandum of understanding (including a five-member committee to manage the reconstruction process) was signed by the Patriarch and the Government.

73. A special minority recruitment drive increased minority employment (*priority*) to 14.7% in the Ministry of Culture, Youth and Sports, 22.3% in the Cultural Heritage Department, 3.1% in the central-level cultural institutions, and 11.1% in the regional level cultural institutions.

Cultural heritage: priority standards challenges

74. The draft law on cultural heritage (*priority*) was rejected by the Assembly. Kosovo Serb participants are being sought for the working group. The Turkish community is being consulted.

75. I have designated the Decani Canyon a specially zoned area to ensure preservation of the monastery, the only UNESCO world heritage site in Kosovo, and the unique natural heritage of the Canyon itself. I will work with the Provisional Institutions to encourage long-term economic and spatial planning for the wider area, which will make maximum use of its unique potential, including for ecotourism and parklands.

Dialogue: key achievements

76. The direct dialogue with Belgrade resumed (*priority*). The Working Group on Missing Persons met in Belgrade on 16 March and is scheduled to meet again on 9 June. The Government of Serbia accepted my proposal to restart the working groups on energy (preparations being facilitated by the European Commission), returns (scheduled for 12 May, facilitated by UNHCR), and eventually transport and telecommunications.

77. Additional bilateral agreements were concluded, including on medical/dental university education with Albania and the former Yugoslav Republic of Macedonia. Participation in bilateral and regional meetings, including meetings held in Kosovo, continued, including with the former Yugoslav Republic of Macedonia and a visit to Kosovo by the Serbian Deputy Minister of Social Affairs in cooperation with the Kosovo Ministry of Labour and Social Welfare. The national coordinators for the European Union Charter of Small Enterprises met in Pristina, hosted by the Kosovo Ministry of Trade and Industry, from 27-29 April.

Dialogue: priority standards challenges

78. The main challenges for the Provisional Institutions in this standard are to secure the training and expertise needed for effective negotiation, and to maintain the support of the people of Kosovo for dialogue. Both Prime Minister Haradinaj and Prime Minister Kosumi made clear their openness to dialogue throughout the reporting period. This leadership will continue to be needed.

Kosovo Protection Corps: key achievements

79. The Kosovo Protection Corps (KPC) continued to comply with the rule of law (*priority*), act in accordance with its mandate as a civilian emergency organization (*priority*) and make significant additional standards efforts. It played a key role supporting stability through potentially destabilizing political events during the reporting period.

80. A vigorous minority recruitment and retention campaign (*priority*) continued. KPC started developing and implementing trilingual barrack signs, billboards, leaflets and monthly newsletter; a trilingual website; an Office for Communities; a Translation/Interpretation Unit; a media campaign; a basic training course in Serbian; civil reconstruction and humanitarian projects in minority areas; logistical support to vulnerable members of minority communities; and meetings with Kosovo Serbs and other minority communities, municipalities, non-governmental organizations, international organizations and others.

81. The formation of the Civil Protection Brigade (*priority*) to consolidate resources and enable KPC to deliver more focused and efficient civil emergency response throughout Kosovo progressed well.

82. The Kosovo Protection Corps undertook additional tasks (*priority*), including monitoring munitions dumps, public ceremonial duties, and assisting in the dignified transport of mortal remains through Kosovo. Responsibility for explosive ordnance disposal response is scheduled to transfer from KFOR in May. Following

the KPC offer to support relief efforts in South-East Asia following the tsunami, agreement was reached in principle that multi-ethnic KPC teams could deploy under a United Nations umbrella to future emergency operations as agreed by the host country.

83. The Disciplinary Code was reviewed. Efforts to develop training capacity continued.

KPC: priority standards challenges

84. KPC recruitment and retention of minorities remains a priority. A total of 161 (of 3,022, 5.3%) minorities participated actively, including 31 Ashkali, 18 Bosniak, 8 Egyptian, 1 Goran, 9 Croat, 14 Muslim, 2 Roma, 48 Serb and 30 Turk. Significant obstacles remain, including opposition from Belgrade and local Kosovo Serb leaders, intimidation from Kosovo Serb communities of those choosing to join KPC and insufficient funding.

85. Opening the KPC standard Working Group to international participation should increase international political and financial support (*priority*), without which KPC efforts to complete this standard and fulfil the civilian emergency mandate will be hampered. Standards priorities for funding include essential civil emergency equipment and specialist training; further minority recruitment initiatives; implementation of civil projects in minority areas to build support from, and trust between, communities; formation of the Civil Protection Brigade; planned demining programmes; and further professionalization and restructuring. Efforts to develop training capacity need to continue (*priority*).

Annex II

A. Composition and strength of the police component of the United Nations Interim Administration Mission in Kosovo as at 30 April 2005

Country	*Number*	*Country*	*Number*
Argentina	122	Malaysia	12
Austria	29	Mauritius	0
Bangladesh	78	Netherlands	1
Belgium	0	Nepal	43
Brazil	3	Nigeria	51
Bulgaria	51	Norway	23
Cameroon	0	Pakistan	197
China	19	Philippines	87
Czech Republic	9	Poland	113
Denmark	23	Portugal	11
Egypt	1	Romania	182
Fiji	30	Russian Federation	109
Finland	7	Senegal	0
France	54	Slovenia	14
Germany	257	Spain	15
Ghana	35	Sweden	36
Greece	17	Switzerland	6
Hungary	10	Tunisia	0
India	293	Turkey	207
Italy	60	United Kingdom of Great Britain and Northern Ireland	92
Jordan	176	United States of America	293
Kenya	28	Ukraine	211
Kyrgyzstan	5	Zambia	22
Lithuania	8	Zimbabwe	35
Malawi	8		
Total			**3 083**

B. Composition of the Kosovo Police Service as at 30 April 2005

Category	*Percentage*	*Number*
Kosovo Albanians	84.69	5 283
Kosovo Serbs	9.27	578
Other ethnic minority members	6.04	377
Total		**6 238**
Men	85.83	5 354
Women	14.17	884

Annex III

Composition and strength of the military liaison component of the United Nations Interim Administration Mission in Kosovo as at 30 April 2005

Country	*Number of liaison officers*
Argentina	1
Bangladesh	1
Belgium	1
Bolivia	1
Bulgaria	1
Chile	1
Czech Republic	1
Denmark	1
Finland	2
Hungary	1
Ireland	4
Italy	1
Jordan	2
Kenya	1
Malawi	1
Malaysia	1
Nepal	2
New Zealand	1
Norway	1
Pakistan	1
Poland	1
Portugal	1
Romania	1
Russian Federation	2
Spain	2
Ukraine	2
United Kingdom of Great Britain and Northern Ireland	1
Zambia	1
Total	**37**

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